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**NEW APPLICATION**



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2009 FEB 26 P 3:31

AZ CORP COMMISSION  
DOCKET CONTROL  
February 23, 2009

Arizona Corporation Commission  
**DOCKETED**

FEB 26 2009

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| DOCKETED BY | me |
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Brian C. McNeil, Executive Secretary  
Arizona Corporation Commission  
Utilities Division  
1200 W. Washington Street  
Phoenix, AZ 85007-2927

T-20443A-09-0086

**Re: Notification of the Indirect Transfer of Control of Embarq Communications, Inc. to CenturyTel, Inc.**

Dear Mr. McNeil:

Embarq Communications, Inc. ("ECI") and CenturyTel, Inc. ("CenturyTel") (together "Parties"), by undersigned counsel, hereby notify the Commission of a transaction that will result in the indirect transfer of control of ECI, a competitive carrier which holds authority to provide resold interexchange telecommunications services in Arizona, to CenturyTel. Although the proposed transaction will result in a change in the ultimate ownership of ECI, no transfer of certificates, assets, or facilities will occur as a consequence of the proposed transaction. ECI will continue to provide services to its existing customers in Arizona pursuant to its existing authorizations, and under the same rates, terms, and conditions it currently offers. Accordingly, this transaction will be virtually transparent to the customers of ECI. The Parties will notify the Commission when the transfer of control is complete.

It is the Parties' understanding that Commission approval is not required in connection with the transaction described herein.<sup>1</sup> Accordingly, this letter is filed for informational purposes only to ensure the continuing accuracy of the Commission's records.

The parties further state as follows:

<sup>1</sup> Both Parties had less than \$1 million in Arizona jurisdictional revenues in 2008, and neither has had more than \$1 million in Arizona jurisdictional revenues in any prior years. Accordingly, the Arizona Affiliated Interest Rules, A.A.C. R12-2-801 to R12-2-806, requiring utilities with greater than \$1 million in jurisdictional revenues to obtain prior approval for a transfer of control transaction, do not apply. The Parties are submitting this notice for the Commission's reference and files.

**Holland & Hart LLP**

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Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻



the Commission and is therefore a matter of public record, and the Parties request that it be incorporated herein by reference.

**II. Designated Contacts**

For the purposes of this filing, questions or any correspondence, orders or other materials should be directed to the following contacts:

Counsel for the Parties:

Mary Tribby  
Holland & Hart LLP  
555 17th Street  
Suite 3200  
Denver, Colorado 80202-3979  
Telephone: (303) 295-8461  
Facsimile: (303) 672-6509  
E-mail: [MBTribby@hollandhart.com](mailto:MBTribby@hollandhart.com)

With copies to:

Craig T. Smith  
Senior Counsel  
Embarq Corporation  
Mailstop KSOPKJ0702  
5454 West 110th Street  
Overland Park, KS 66211  
Telephone: (913) 345-6691  
Facsimile: (913) 345-7885  
E-mail: [Craig.T.Smith@Embarq.com](mailto:Craig.T.Smith@Embarq.com)

and

John F. Jones  
Vice President Regulatory-Government Relations  
CenturyTel, Inc.  
100 CenturyTel Dr.  
Monroe, LA 71203  
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### **III. Description of the Transaction**

The transaction involves a merger of entities at the parent-company level. Under the terms of the merger agreement, Embarq and CAC will merge, with Embarq being the surviving corporation. As a result, Embarq will become a wholly-owned subsidiary of CenturyTel, and CenturyTel will indirectly control Embarq's subsidiary, ECI. ECI will continue to be a direct subsidiary of Embarq, and CenturyTel Solutions will continue to be a direct subsidiary of CenturyTel. For the Commission's convenience, pre- and post-transaction illustrative organization charts for the combined Arizona operating companies are provided as Exhibit A.

Immediately following the consummation of the proposed transaction, ECI will continue to provide telecommunications services with no change in the name of the company, or its rates or terms and conditions of service. Therefore, the transfer of control of ECI will be seamless and virtually transparent to consumers in Arizona. If in the future ECI seeks to change its name or make changes to its existing rates, terms, or conditions of service, it will do so in accordance with the Commission's requirements applicable to such changes.

### **IV. Public Interest Considerations**

The Parties submit that the Transaction is in the public interest. ECI will continue as the certificated carrier in Arizona and will continue to have the requisite managerial, technical and financial capability to provide services to its customers. Upon completion of the merger, the Commission will retain the same regulatory authority over ECI that the Commission possesses prior to consummation of the transaction. ECI will continue to offer long distance service subject to the same rules, regulations and applicable tariffs. As noted above, the transaction will be transparent to customers.

Moreover, the transaction combines two leading communications companies, CenturyTel and Embarq, with customer-focused, industry-leading capabilities. It will provide the combined entity with greater financial and operational resources to capitalize on marketplace opportunities, diversify revenues, and expand networks, expertise and financial resources to build long-term value for customers and shareholders.

\* \* \* \*

An original and thirteen (13) copies of this notice are enclosed. Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact Mary Tribby at (303) 295-8461.



Respectfully submitted,

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Mary Tribby  
Holland & Hart LLP  
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Denver, Colorado 80202-3979  
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*Counsel for Embarq Communications, Inc. and  
CenturyTel, Inc.*

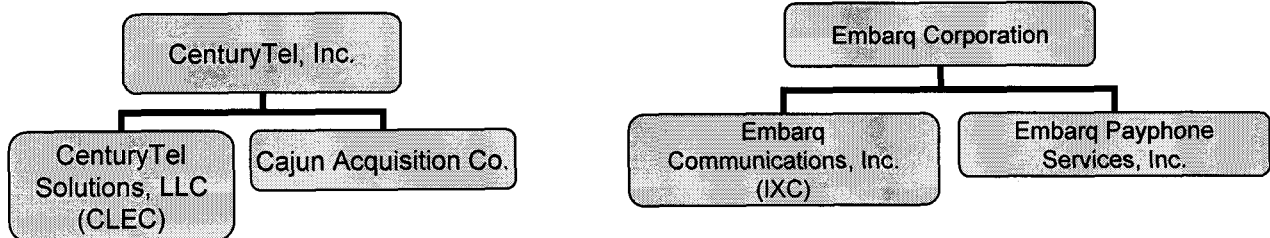


## **EXHIBIT A**

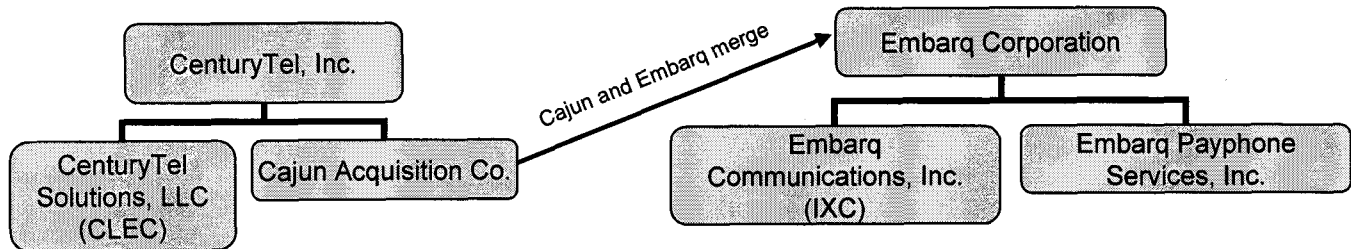
### **Pre- and Post-Transaction Illustrative Chart**

**ARIZONA**  
Organizational Structure Diagrams

**Pre-Merger**



**Merger**



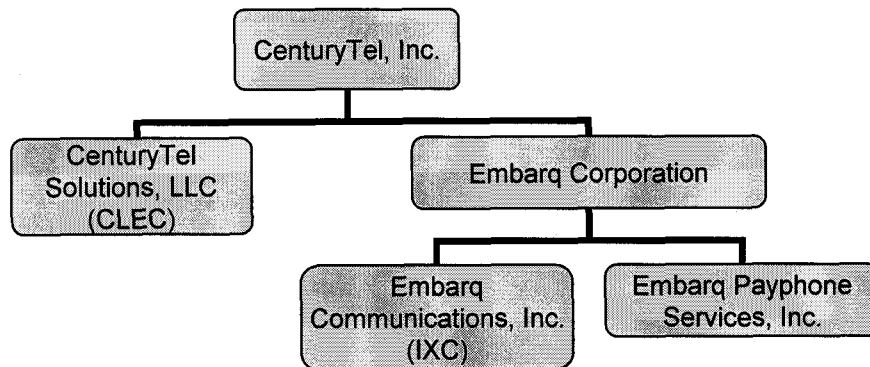
Embarq Corp. is the surviving entity

Embarq Corp. adopts:

- \* Cajun's Certificate of Incorporation
- \* Cajun's Bylaws

Embarq Corp. becomes wholly-owned subsidiary of CenturyTel, Inc.

**Post-Merger**



\* 8 Directors from Pre-Merger CenturyTel, Inc.

\* 7 Directors from Pre-Merger Embarq Corp.

### VERIFICATION

I, John F. Jones, state that I am Vice President Regulatory/Government Relations of CenturyTel, Inc.; that I am authorized to make this Verification on behalf of CenturyTel, Inc.; that the foregoing filing was prepared under my direction and supervision; and that the content are true and correct to the best of my knowledge, information, and belief.

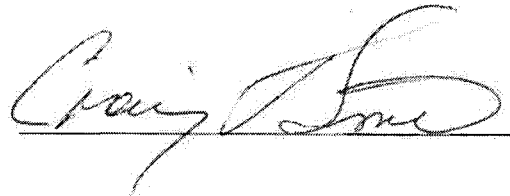
I declare under penalty of perjury that the foregoing is true and correct. Executed this 20<sup>th</sup> day of February, 2009.

A handwritten signature in black ink, appearing to read "John F. Jones", is written over a horizontal line.

### VERIFICATION

I, Craig T. Smith, state that I am Senior Counsel of Embarq Corp.; that I am authorized to make this Verification on behalf of Embarq Communications, Inc.; that the foregoing filing was prepared under my direction and supervision; and that the content are true and correct to the best of my knowledge, information, and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 19th day of February, 2009.

A handwritten signature in cursive script, reading "Craig T. Smith", is written over a horizontal line.